

**2009 MICHIGAN Underpayment of Estimated Income Tax MI-2210**

Attach to Form MI-1040 or MI-1041. Round all money items to whole dollars. Type or print in blue or black ink.

1. For 2009 or taxable year beginning:

Year (YYYY)

and ending:

Month-Year (MM-YYYY)

**Attachment 12**

2. Filer's First Name	M.I.	Last Name	3. Filer's Social Security Number (Example: 123-45-6789)
			— —
If a Joint Return, Spouse's First Name	M.I.	Last Name	4. Spouse's Social Security Number (Example: 123-45-6789)
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**PART 1: ESTIMATED TAX REQUIRED FOR THE YEAR**

5. Enter 2008 tax. Subtract the sum of MI-1040 lines 27, 28, 29, 30 and 31b from line 20 (see instructions) ..... 5.  00
- ▶ a. ☐ Small business safe harbor, see inst.
6. Enter 2009 tax. Subtract the sum of MI-1040 lines 27, 28, 29, 30, 31b, 32 and 33 from line 20 (Fiduciaries, see inst.) 6.  00
7. Multiply amount on line 6 by 90% (0.9) ..... 7.  00
8. Compare the amount on lines 5 and 7. Enter the smaller number ..... 8.  00
- ▶ 9. ☐ Check this box if you use the annualized income installment method. If your income varied during the year, this method may reduce the amount of one or more required installments.

PAYMENT DUE DATES		A	B	C	D
<b>NOTE:</b> Complete lines 11-22 one column at a time.		April 15, 2009	June 15, 2009	Sept. 15, 2009	Jan. 15, 2010
10.	Divide the amount on line 8 by 4. Enter in each column. <b>CAUTION:</b> If annualizing, enter amount from worksheet line 16.				
11.	Estimated tax paid and withheld. (For column A only, enter amount from line 11 on line 15.)				
12.	Enter amount, if any, from line 18 of the previous column.				
13.	Add lines 11 and 12.				
14.	Add lines 16 and 17 of the previous column and enter the result here.				
15.	Subtract line 14 from line 13. If less than zero, enter "0" (For column A only, enter the amount from line 11.)				
16.	Remaining underpayment from previous period. If amount on line 15 is zero, subtract line 13 from line 14 and enter result here.				
17.	UNDERPAYMENT. If line 10 is greater than or equal to line 15, subtract line 15 from line 10 and enter the result. Then go to line 11 of the next column. Otherwise, go to line 18.				
18.	OVERPAYMENT. If line 15 is greater than line 10, subtract line 10 from line 15 and enter here. Then go to line 11 of next column.				

**PART 2: FIGURING THE INTEREST**

19.	Underpayment from line 17.				
20.	a. Rate Period 1: 6.0%. April 15, 2009 - June 30, 2009 Computation starting date for this period:	April 15, 2009	June 15, 2009		
	b. Number of days from date on line 20a to the date line 19 was paid or June 30, 2009, whichever is earlier. If June 30 is earlier, enter 76 and 15 respectively.				
	c. .0001644 x days on line 20b x underpayment on line 19.				
21.	a. Rate Period 2: 4.7%. July 1, 2009 - Dec. 31, 2009 Computation starting date for this period:	June 30, 2009	June 30, 2009	Sept. 15, 2009	
	b. Number of days from date on line 21a to the date line 19 was paid or December 31, 2009, whichever is earlier. If Dec. 31 is earlier, enter 184, 184 and 107 respectively.				
	c. .0001288 x days on line 21b x underpayment on line 19.				

Filer's Social Security Number

22.	a. Rate Period 3: 4.25%. Jan. 1, 2010 - June 30, 2010 Computation starting date for this period:	Dec. 31, 2009	Dec. 31, 2009	Dec. 31, 2009	Jan. 15, 2010
	b. Number of days from date on line 22a to the date line 19 was paid or April 15, 2010, whichever is earlier. If April 15 is earlier, enter 105, 105, 105 and 90 respectively.				
	c. .0001164 x days on line 22b x underpayment on line 19.				

23. TOTAL INTEREST. Add amounts on lines 20c, 21c and 22c in all columns. Enter the total interest here and on the appropriate line on your MI-1040 or MI-1041 ..... 23.  00

**PART 3: FIGURING THE PENALTY**

	A April 15, 2009	B June 15, 2009	C Sept. 15, 2009	D Jan. 15, 2010
24. Underpayment (see instructions)..... 24.	<span style="border: 1px solid black; padding: 2px 20px;"></span> 00	<span style="border: 1px solid black; padding: 2px 20px;"></span> 00	<span style="border: 1px solid black; padding: 2px 20px;"></span> 00	<span style="border: 1px solid black; padding: 2px 20px;"></span> 00
25. Enter 25% (0.25) or 10% (0.10) (see instructions) ..... 25.	<span style="border: 1px solid black; padding: 2px 20px;"></span> %	<span style="border: 1px solid black; padding: 2px 20px;"></span> %	<span style="border: 1px solid black; padding: 2px 20px;"></span> %	<span style="border: 1px solid black; padding: 2px 20px;"></span> %
26. Multiply amount on line 24 by line 25 ..... 26.	<span style="border: 1px solid black; padding: 2px 20px;"></span> 00	<span style="border: 1px solid black; padding: 2px 20px;"></span> 00	<span style="border: 1px solid black; padding: 2px 20px;"></span> 00	<span style="border: 1px solid black; padding: 2px 20px;"></span> 00
27. TOTAL PENALTY. Add line 26, columns A through D. Enter total penalty here and in appropriate space on the pay line of your MI-1040 or MI-1041..... 27.	<span style="border: 1px solid black; padding: 2px 20px;"></span> 00			
28. Add lines 23 and 27. This is your total penalty and interest to be added to your tax due ..... 28.	<span style="border: 1px solid black; padding: 2px 20px;"></span> 00			

This form computes penalty and interest for estimate vouchers to the date of payment or April 15, 2010, whichever is earlier. Additional penalty and interest for late filing accrues on your annual return from April 15 to the date of payment.

**ANNUALIZED INCOME WORKSHEET**

Complete one column at a time. Line numbers refer to this worksheet unless another form is listed.

**Estates and trusts:** Use the following period ending dates: 2/28/09, 4/30/09, 7/31/09 and 11/30/09.

Do not use the dates in the column headings below.

	A First 3 months 1-1 to 3-31-09	B First 5 months 1-1 to 5-31-09	C First 8 months 1-1 to 8-31-09	D 12 months 1-1 to 12-31-09
1. Enter total income subject to tax (reported on 2009 MI-1040, line 14) that is attributable to each period in the corresponding column ..... 1.				
2. Annualization amounts ..... 2.	4	2.4	1.5	1
3. Annualized total income. Multiply line 1 by line 2 ..... 3.				
4. Enter total exemption allowance (MI-1040, line 15) ..... 4.				
5. Subtract line 4 from line 3..... 5.				
6. Multiply line 5 by 2009 tax rate 4.35% (0.0435) ..... 6.				
7. Enter the sum of your 2009 MI-1040 credits from lines 18, 27, 28, 29, 30, 31b, 32 and 33 in each column ..... 7.				
8. Tax after credits. Subtract line 7 from line 6 (if less than zero, enter "0")..... 8.				
9. Multiply line 8 by 22.5% (1st period), 45% (2nd period), 67.5% (3rd period) and 90% (4th period). Enter the results in each column ..... 9.	(line 8 x 22.5%)	(line 8 x 45%)	(line 8 x 67.5%)	(line 8 x 90%)
10. Enter combined amounts from line 16 of all previous columns ..... 10.				
11. Subtract line 10 from line 9 (if less than zero, enter "0")..... 11.				
12. Required quarterly payment. Divide the amount on MI-2210, line 8, page 1, by four and enter the result in each column ... 12.				
13. Enter the amount from line 15 of the previous column ..... 13.				
14. Add lines 12 and 13..... 14.				
15. Subtract line 11 from line 14 (if less than zero, enter "0")..... 15.				
16. Required installments. Enter the smaller of lines 14 or 11 here and on MI-2210, line 10, page 1..... 16.				

# Instructions for Form MI-2210

## Underpayment of Estimated Income Tax

### General Instructions

Use this form to determine if you owe penalty and interest for failing to make estimated payments or for underpaying the estimated tax due. You can be charged interest (and possibly penalty) if your payment was insufficient or late in any quarter. This is true even if you are due a refund when you file your tax return. The interest and penalty are figured separately for each due date; you could still owe interest and penalty even if you made up an earlier underpayment with an overpayment later. No penalty is charged if estimates were not required in the immediately preceding year; however, interest may still be due.

The estimated tax payments must be made timely, in four equal installments, and the sum of the installments must equal:

- 90 percent of the tax shown on your 2009 tax return, or
- 100 percent of the tax shown on your 2008 tax return, or
- 110 percent of the tax shown on your 2008 return if 2008 Adjusted Gross Income (AGI) was \$150,000 or more for joint or single filers or \$75,000 or more for married filing separately.

Because this is a complicated form, you may choose to have Treasury compute your interest and penalty and send you a bill instead of filing the form yourself. If you want Treasury to figure your interest, complete your MI-1040 form as usual, leaving the interest line blank, and do not attach form MI-2210. Interest computed on this form and penalty charged for failing to file or underpaying estimates will be the same regardless of whether you pay with your return or if Treasury bills you.

### You may avoid penalty and interest and should not file this form IF:

- You had no tax liability for 2008 (if you had to file), or you were not required to file a 2008 return and your 2008 federal tax return was for a full 12 months.
- The total tax on your 2009 return minus the amount you paid in withholding and all your credits is \$500 or less.
- You made timely estimated tax payments in equal installments that were at least 100% of your 2008 tax or 90% of your 2009 tax.

### Annualizing

If you receive income unevenly during the year (e.g., from a seasonal business, capital gain, severance pay or bonus) you may annualize your income.

Complete the MI-2210 form and the annualization worksheet and attach them to your Michigan annual tax return (individual or fiduciary).

### Completing the Worksheet

You must annualize for the entire year by completing all four columns.

Complete one column at a time. Line 1 must be the year-to-date total for each period in the appropriate column. Each column is an accumulating total and should include the amount from the previous column plus any additional income earned to date. The last column should equal the amount on your MI-1040, line 14.

**Example:** You earned \$5,000 in the first three months of the year. You earned an additional \$4,000 during April and May. Enter on worksheet line 1, \$5,000 in the first column and \$9,000 in the second column.

Each entry on worksheet line 13 will be MI-2210, Part 1, line 8, divided by four regardless of how the income is earned. If you add worksheet line 17 across the columns, the sum should equal the total shown on MI-2210, line 8.

Taxpayers who annualize must also enter 25 percent of tax withheld in each column of the MI-2210, line 11, or submit documentation to substantiate uneven distribution of withholding.

### Special Rules for Farmers, Fishermen and Seafarers

Do not file this form if BOTH of these apply:

- Your gross income from farming, fishing or seafaring is at least 2/3 of your annual gross income for 2008 or 2009, **AND**
- You filed your MI-1040 and paid the entire tax due by March 1, 2010.

### Where to Get Forms

If you need to file estimated tax, a 2010 Michigan estimated income tax formset (MI-1040ES for individuals, MI-1041ES for fiduciaries) is available on the Treasury Web site at [www.michigan.gov/taxes](http://www.michigan.gov/taxes) or by calling toll-free 1-800-827-4000 to have tax forms mailed to you.

### Line-by-Line Instructions

Before completing Part 1, add MI-1040 lines 27, 28, 29, 30, 31b, 32 and 33. Subtract this sum from MI-1040, line 20. If the result is \$500 or less, do not complete this form. For MI-1041, add lines 25 and 26, then subtract from line 24. If the result is \$500 or less, do not complete this form.

**FISCAL-YEAR FILERS:** Change due dates and interest rates to correspond with your tax year.

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**Part 1: Estimated Tax Required for the Year**


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**Line 5:** Figure your 2008 tax from your 2008 return. On the MI-1040 form, subtract the sum of lines 27, 28, 29, 30 and 31b from line 20 and enter here. This amount must equal at least 100 percent of the tax shown on your 2008 tax return, (90% if 5a is checked) or 110 percent of the tax shown on your 2008 return if AGI was \$150,000 or more for joint or single filers or \$75,000 or more for married filing separately. Fiduciaries, enter the amount from your 2008 MI-1041, line 22.

**Line 5a:** Check the box if you qualify for the small business safe harbor (established by The American Recovery and Reinvestment Act of 2009). Taxpayers with business income who are eligible to use 90 percent of their 2008 federal tax to determine the required payment of federal estimated tax for 2009 may also use 90 percent of their 2008 Michigan income tax when calculating their 2009 estimated Michigan tax requirement.

**Line 6:** Figure your 2009 tax. On the MI-1040 form, subtract the total of lines 27, 28, 29, 30, 31b, 32 and 33 from line 20 and enter here. Fiduciaries, enter the amount from your 2009 MI-1041, line 23.

**Line 10:** If you did not receive your income evenly throughout the year, you may annualize your income. See the instructions and worksheet on this form.

**Line 11:** Enter the estimated tax payments you made plus any withholding. Note the following:

- One-fourth of your total withholding is considered paid on each due date unless you can document the dates the tax was withheld.
- An overpayment from 2008 that has been credited forward to 2009 will be applied to the first installment.
- Do not enter extension payments on this form.

In column A, enter the estimated tax payments made by April 15, 2009, that were for the 2009 tax year. In column B, enter payments made after April 15 and through June 15, 2009. In column C, enter payments made after June 15 and through September 15, 2009. In column D, enter payments made after September 15, 2009, and through January 15, 2010. Extension payments or other payments received after January 15 are not considered estimated tax payments for tax year 2009.

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**Part 2: Figuring the Interest**


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The MI-2210 computes interest to April 15, 2010, or the date of payment, whichever is earlier. This part of the form breaks down underpayments to the payment period they are due, then gives the interest rate for that period. Interest is figured for the number of days the installment remained unpaid. All payments are applied to any underpayment first, regardless of when the payment is received. The balance (if any) is applied to the next period.

**Note:** Complete lines 11 through 23 for column A before going to column B, etc. You need only complete each column to the date the payment was made. If the total underpayment for any payment period was not paid off with one payment, you may need to do several calculations in each column.

**Example:** Your tax due each period is \$2,000. You have an underpayment of \$1,000 for the first period (due April 15). On June 10 you send \$2,000 to pay the second installment. But, \$1,000 of this payment goes toward your \$1,000 underpayment first. Interest is computed on \$1,000 from April 15 to June 10 (56 days). The remaining \$1,000 is applied to your second installment payment, creating a second period underpayment of \$1,000.

Interest will continue to accrue on this \$1,000 until another payment is received.

**Interest rates** are set by Treasury twice each year for six-month periods starting January 1 and July 1. The rate is 1 percent above the prime rate in Michigan. For example, if the Michigan prime rate is 10.2 percent, your interest rate for completing the MI-2210 is 11.2 percent for that six-month period. For current interest rates, visit our Web site at [www.michigan.gov/taxes](http://www.michigan.gov/taxes) for a copy of *Revenue Administrative Bulletin 2009-7*.

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**Part 3: Figuring the Penalty**


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Penalty is 25 percent of the tax due (minimum \$25), for failing to file estimated payments or 10 percent (minimum \$10) for failing to pay enough with your estimates or paying late.

**Line 24:** The underpayment for the penalty charge is figured the same way as the underpayment for interest.

Exceptions:

- Payments are applied in the quarter they are received.
- If an overpayment occurs in any quarter, the overpayment amount is carried forward to the next quarter and applied as a timely payment.
- Payments are not carried back to offset underpayments in previous quarters.

The amount on line 24 cannot be less than zero (0).

**Line 25:** Enter 25 percent if estimated tax payments were not made for 2009. Enter 10 percent if estimated tax payments were made for 2009.

**Example:** In the example in Part 2, the \$2,000 payment received on June 10 is applied to the \$2,000 required payment in the second quarter. The penalty in the first quarter is \$100 (10 percent of the \$1,000 underpayment in the first quarter). The penalty in the second quarter would be zero (0).